

The complaint

Mr G has complained HSBC UK Bank plc won't remove a fraud-related marker they've lodged in his name.

What happened

Mr G applied for an account with another bank. His application was rejected. He subsequently discovered a fraud-related marker in his name which HSBC had lodged.

Mr G contacted HSBC but they wouldn't remove the marker as they believed Mr G had omitted information deliberately to mislead them when applying for an account with them.

Mr G brought his complaint to the ombudsman service.

Our investigator reviewed the evidence in detail. He felt that HSBC had met the bar in showing that Mr G had knowingly attempted to commit a crime. He wouldn't ask HSBC to do anything further.

Mr G has asked an ombudsman to consider his complaint.

I completed a provisional decision on 14 October 2024 as I had come to a different conclusion. I asked HSBC to remove the CIFAS marker.

Mr G accepted the decision. HSBC didn't. They quoted the response Mr G received from CIFAS claiming that address information had not been provided in full to HSBC.

I now have all the information I need to complete my final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I've reached the same outcome as I did in my provisional decision. I'll explain why.

It is clear what the requirements are prior to lodging a marker. Specifically:

"There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted.

The evidence must be clear, relevant and rigorous."

So HSBC must be able to provide clear evidence that an identified fraud was being committed and Mr G was involved.

I've seen the evidence provided by HSBC. This confirms Mr G made an application for an account with HSBC. The address information provided didn't match the information HSBC

was able to see when reviewing Mr G's credit record. They rejected his application and also placed a CIFAS marker on his record in April 2024.

I've reviewed the information Mr G provided to HSBC. I don't dispute Mr G was not truthful with HSBC. He didn't provide full data on previous addresses he lived.

However, I can't see at any stage this had any impact on HSBC. They were able to see the full data on his credit record – which identified three other defaulted debts in 2021 – and his address history.

I'm not convinced HSBC has sufficient evidence that Mr G has been trying to commit a crime. It's clear from his financial history that Mr G has another default, as well as another delinquent debit, on his record which is linked to the address Mr G used in his application to HSBC. I can't see that Mr G was trying to hide this and I'd imagine he'd have known HSBC would be carrying out a credit search and would expect his financial and address history would become known to them so I can't see that he was avoiding this or trying to mislead.

I appreciate HSBC's concerns here that Mr G has been trying to actively mislead them. But I'm not convinced that the evidence is sufficient to meet the requirements as required by the CIFAS rules.

I've reviewed the information HSBC supplied in response to the provisional decision which included what CIFAS had previously confirmed to Mr G. This confirmation was unsurprisingly based on the evidence HSBC supplied to CIFAS. I had considered this when coming to my provisional decision.

It's clear that HSBC disagrees with me but, on balance, I'm not convinced there's sufficient evidence to show Mr G was trying to mislead HSBC.

Putting things right

I'm going to instruct HSBC to remove the marker they lodged on Mr G's fraud-related record.

My final decision

For the reasons given, my final decision is to instruct HSBC UK Bank plc to remove the fraud marker from Mr G's CIFAS record.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 18 November 2024.

Sandra Quinn
Ombudsman